

WASHINGTON, D.C. – Today Congressman Earl Blumenauer (D-Ore) voted in favor of a housing package that is the most significant response to the housing crisis to date. A member of the Ways and Means Committee, he worked to provide tax credits to first-time homebuyers, improve access to low-income housing and allow families to deduct property taxes. These provisions, which Ways and Means passed in early April, were included in today's housing package, which will help families facing foreclosure keep their homes and help other families avoid foreclosures in the future (in H.R. 5830). The House passed the bill this evening.

"Today the House of Representatives took an important step to help Oregon homeowners impacted by the subprime mortgage collapse," said Congressman Blumenauer. "While Oregon has not been hit as hard as many parts of the country, one in 34 Oregon homeowners is projected to face foreclosure, resulting in \$2.5 billion lost from the tax base.

"It is shocking to me that President Bush is threatening to veto this housing package, with its various provisions that were negotiated – and in many cases endorsed – by members of his administration and Federal Reserve Chairman Ben Bernanke.

"This matters to Oregon because subprime loans are performing much worse than regular loans. I am pleased that our Ways and Means Committee has crafted provisions to help our housing industry and first-time homebuyers get into the market, provided additional tax-exempt bond authority to help stabilize our local housing situation and helped lower income taxpayers who don't itemize their deductions."

According to the Center for Responsible Lending, in Oregon, subprime loans are performing much worse than prime loans. One in five subprime loans in the 3rd Congressional District will end in foreclosure, resulting in price declines for more than 199,000 surrounding homes and a loss of \$644 million in equity.

FHA Rescue and Neighborhood Stabilization (H.R. 5830 and 5818)

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Provides mortgage refinancing assistance to keep families from losing their homes, protects neighboring home values, and helps stabilize the housing market.

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Expands the FHA program so that borrowers in danger of losing their home can refinance into

lower-cost government -insured mortgages they can afford to repay. This legislation will help troubled borrowers avoid foreclosure while minimizing taxpayer exposure.

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Protects taxpayers by requiring lenders and homeowners to take responsibility. This is not a bailout; in order to participate, lenders and mortgage investors must take significant losses by reducing the loan principal. In exchange for an FHA guarantee on the mortgage, borrowers must share any profit from the resale of a refinanced home with the government.

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Makes \$15 billion in loans and grants to states to acquire foreclosed homes standing empty, to rehabilitate foreclosed property, and to restore home values in neighborhoods hit hard by the crisis. (H.R. 5818)

Tax Provisions to Expand Refinancing Opportunities and Spur Home Buying (H.R. 5720)

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Gives first-time homebuyers a refundable tax credit that works like an interest-free loan of up to \$7,500 (to be paid back over 15 years) to spur home buying and stabilize the market.

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Supplies states with \$10 billion of additional tax-exempt bond authority in 2008 to refinance subprime loans, make loans to first-time homebuyers and to finance the building of affordable rental housing.

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Provides taxpayers that claim the standard deduction with up to an additional \$700 standard deduction for property taxes.

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Makes necessary reforms to encourage the creation of low-income housing.

Preserving the American Dream for Our Nation's Veterans

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Increases VA Home Loan limit, as was done in the stimulus package, for high-cost housing areas so that veterans have more homeownership opportunities.

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Helps returning soldiers avoid foreclosure by lengthening the time a lender must wait before starting foreclosure, from three months to one year after a soldier returns from service.

The bill passed today is supported by the National Governors' Association, U.S. Conference of Mayors, National Association of Counties, National Association of Local Housing Finance Agencies, National Community Development Association, and the National Council of State Housing Agencies, as well as a wide range of civil rights, community development, labor, and low-income housing groups, including: AFL-CIO, AFSCME, Catholic Charities, Enterprise Community Partners, Local Initiatives Support Corporation, National Low Income Housing Coalition, National Housing Conference, and the National Urban League.